

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**ADMINISTRATIVE RULE  
FISCAL IMPACT STATEMENT**

**PROPOSED RULE:** #02-277

**DATE PREPARED:** Dec 26, 2002

**STATE AGENCY:** Family and Social Services Administration **DATE RECEIVED:** Nov 14, 2002

**FISCAL ANALYST:** Alan Gossard

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**Digest of Proposed Rule:** This rule amends 405 IAC 5-14-2, 405 IAC 5-14-3, 405 IAC 5-14-6, 405 IAC 5-14-11, 405 IAC 5-14-15, 405 IAC 5-14-16, 405 IAC 5-14-17, and 405 IAC 5-14-18 to limit covered services and update the Medicaid dental rule to reflect current operating procedures. The rule also repeals 405 IAC 5-14-10.

The rule limits certain covered services. Among those changes are the following:

- (1) Limits teeth cleanings for institutionalized recipients to one per six months (currently two per six months).
- (2) Limits x-rays and eliminates coverage of certain x-rays.
- (3) Eliminates analgesia and anesthesia coverage in a dental office for adults (age 21 and over).
- (4) Restricts IV sedation in a dental office to oral surgical services for adults and children.

The rule also updates the administrative code to reflect current operating procedures with regard to prior authorization and covered services.

**Governmental Entities:** *State Impact:* These rule changes are estimated to reduce Medicaid payments to participating dentists by about \$300,000 for FY 2003 if implemented by June 1, 2003. The state share of this expenditure reduction is approximately \$113,000.

The Medicaid expenditure reduction for FY 2004 is estimated to be about \$3.6 M, with about \$1.4 M being state General Fund dollars.

This rule places no unfunded mandates upon state government.

*Local Impact:* Local government agencies that provide Medicaid-funded dental services may experience a decrease in payments for dental services to adults. However, this rule places no unfunded mandates upon any local government unit.

**Regulated Entities:** Dentists participating in the Medicaid program would see an aggregate, statewide reduction in payments of about \$300,000 in FY 2003, assuming an implementation date of June 1, and \$3.6M in FY 2004. According to the Office of Medicaid Policy and Planning, there are about 1,255 dentists actively participating in the Medicaid program.

**Information Sources:** Carol Gable, OMPP, (317) 232-7798.